

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 CIAE-00 INR-10 NSAE-00

RSC-01 COME-00 EB-11 L-03 SS-20 NSC-10 PA-04 PRS-01

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INFO AMEMBASSY BONN

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AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

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PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, OCON, EEC

SUBJECT: EC COUNCIL OF MINISTERS (AGRICULTURAL) MEETING,
DECEMBER 10-11

1. SUMMARY. THE EC COUNCIL OF MINISTERS (AGRICULTURAL) HELD
A TWO-DAY MEETING ON DECEMBER 10-11. THE COUNCIL HAD A RATHER
PERFUNCTORY DISCUSSION ON THE COMMISSION'S MEMORANDUM ON THE
"IMPROVEMENT OF THE CAP". IT ALSO DISCUSSED BRIEFLY
(WITHOUT TAKING A DECISION)
THE COMMISSION'S MEMORANDUM ON THE "COMMUNITY'S PROTEIN SIT-

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UATION", THE DESIRABILITY OF ESTABLISHING A CAP FOR SOYBEANS AND THE

U.S. ATTITUDE IN SUCH AN EVENTUALITY. THE COUNCIL EXTENDED IN MODIFIED FORM THE COMPENSATION TO GERMAN FARMERS ARISING OUT OF THE 1969 DM REVALUATION, DECIDED TO CREATE BUFFER STOCKS FOR OLIVE OIL, ESTABLISHED SO-CALLED TRIGGER PRICES FOR WINE AND ORIENTATION PRICES FOR FISH FOR THE COMING MARKETING YEAR, AND TOOK A NUMBER OF MISCELLANEOUS DECISIONS. THE NEXT MEETING OF THE COUNCIL OF AGRICULTURAL MINISTERS IS SCHEDULED FOR JANUARY 21-22, 1974. END SUMMARY.

2. IMPROVEMENT OF CAP. THE COUNCIL HELD A RATHER PERFUNCTORY DISCUSSION ON THIS SUBJECT WHICH CENTERED PRIMARILY ON THE COMMISSION'S SUGGESTION TO LIMIT DAIRY SURPLUSES THROUGH TAXES ON FARM MILK DELIVERIES. THE COMMISSION'S IDEA MET WITH GENERAL DISAPPROVAL. THE FRENCH, BELGIAN AND IRISH MINISTERS REJECTED THE PROPOSAL OUTRIGHT. GODBER, THE U.K. MINISTER OF AGRICULTURE, SUGGESTED THAT RATHER THAN TAXING THE FARMERS IT WOULD BE PREFERABLE TO LOWER THE MILK PRICES. ERTL SUGGESTED THAT EXPENDITURES FOR DAIRY SUPPORT SHOULD DEPEND ON THE SIZE OF SURPLUS STOCKS. FOR INSTANCE, HE SAID, SUPPORT EXPENDITURES FOR BUTTER INTERVENTION SHOULD BE LIMITED TO 300,000 MT. IF STOCKS EXCEEDED THIS LEVEL, SUPPORT PURCHASES SHOULD BE SUSPENDED. WITH REGARD TO GRANIS, THERE WAS GENERAL AGREEMENT THAT THE PRICE RELATIONSHIP BETWEEN BREAD GRAINS AND FEED GRAINS SHOULD BE IMPROVED. HOWEVER, THERE WAS NO UNANIMITY ON HOW THIS SHOULD BE DONE. GERMANY, AND TO A LESSER EXTENT THE BENELUX COUNTRIES, EXPRESSED ALSO RESERVATIONS ABOUT THE COMMISSION'S SUGGESTION TO SIMPLIFY THE BASIC POINT SYSTEM FOR WHEAT AND BARLEY.

3. PROTEINS. THERE WAS A BRIEF DISCUSSION ON PROTEINS IN THE COURSE OF WHICH CHIRAC, THE FRENCH MINISTER OF AGRICULTURE, INSISTED THAT THE COMMISSION SUBMIT AS SOON AS POSSIBLE PROPOSALS FOR CAP REGULATIONS ON PROTEIN INCLUDING A CAP FOR SOYBEANS. REFERRING TO A RECENT EXCHANGE BETWEEN USEC'S AG ATTACHE AND A REPORTER OF THE PARIS FIGARO CONCERNING THE PROPOSED SOYBEAN CAP, CHIRAC URGED THE COMMISSION NOT TO TAKE ACCOUNT OF THE AG ATTACHE'S REMARKS (AS REPORTED IN THE FIGARO) AND TO MOVE AHEAD. (AT A RECENT PANEL DISCUSSION IN VENDOME, FRANCE, ON DECEMBER 7 THE USEC AG ATTACHE WAS ASKED WHY THE U.S. MAKES "THREATS" AGAINST THE COMMUNITY'S DESIRE TO ESTABLISH A CAP FOR SOYBEANS. THE LIMITED OFFICIAL USE

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AS ATTACHE REPLIED THAT THERE ARE NO U.S. THREATS WHATSOEVER AGAINST THE COMMUNITY'S PLAN TO GROW SOYBEANS. THE COMMUNITY HAS THE RIGHT TO GROW SOYBEANS. THE QUESTION IS ONLY WHETHER OR NOT THE INTERNAL SUBSIDIES AND THE IMPORT REGIME ESTABLISHED UNDER A CAP FOR SOYBEANS WOULD AFFECT U.S. GATT RIGHTS.) LARDINOIS THEN SAID THAT THE AG ATTACHE'S REMARKS SHOULD BE DISREGARDED BECAUSE QUOTE WASHINGTON WOULD NOT OPPOSE SOYBEAN PRODUCTION IN THE COMMUNITY IF

IT WERE ECONOMICAL UNQUOTE. FOLLOWING THIS EXCHANGE THE COUNCIL TOOK NOTE OF THE COMMISSION'S INTENTION TO SUBMIT FORMAL PROPOSALS FOR CAP REGULATIONS FOR PROTEINS. HOWEVER, PRIOR TO SUBMITTING THESE PROPOSALS, THE SUBJECT IS TO BE FURTHER DISCUSSED IN THE SPECIAL AG COMMITTEE.

4. AFTER PROTRACTED DISCUSSIONS IN A MOSTLY RESTRICTED MEETING THE COUNCIL DECIDED TO AUTHORIZE GERMANY TO CONTINUE THE TVA ADJUSTMENT FOR FARMERS INSTITUTED IN CONSEQUENCE OF THE 1969 REVALUATION OF THE DM. HOWEVER, THE DIRECT PAYMENTS WHICH GERMAN FARMERS RECEIVED DURING 1970-1973 IN COMPENSATION FOR INCOME LOSSES DUE TO THE 1969 DM REVALUATION ARE TO BE DISCONTINUED.

5. THE COUNCIL DECIDED TO CREATE BUFFER STOCKS FOR OLIVE OIL TO BE HELD BY THE ITALIAN INTERVENTION AGENCIES. THESE STOCKS, WHICH ARE TO AMOUNT TO 75,000 MT IN 1973/74, ARE TO MITIGATE THE EFFECTS OF OLIVE CROP FLUCTUATIONS ON PRODUCER AND CONSUMER PRICES.

6. WINE AND FISH SUPPORT PRICES. THE COUNCIL ALSO DECIDED ON THE 1973/74 LEVELS OF THE SO-CALLED TRIGGER PRICES FOR WINE. (TRIGGER PRICES ARE MARKET PRICE LEVELS WHICH LEAD TO INTERVENTION.) THE COUNCIL ALSO FIXED THE 1974 ORIENTATION PRICES FOR A NUMBER OF FISH PRODUCTS.

7. THE COUNCIL TOOK A NUMBER OF MINOR MISCELLANEOUS DECISIONS WHICH WILL BE REPORTED SEPARATELY.

8. THE NEXT COUNCIL MEETING OF THE MINISTERS OF AGRICULTURE IS SCHEDULED FOR JANUARY 21-22, 1974. BARBIS

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